

Message Text

UNCLASSIFIED

PAGE 01 CARACA 08477 252053Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
-----058731 260323Z /65
R 251934Z AUG 77
FM AMEMBASSY CARACAS
TO USDOC WASHDC
INFO SECSTATE WASHDC 8962

UNCLAS CARACAS 8477

PASS TO OED/MEPD AND OIM

EO 11652 NA
TAGS: BENC VE
SUBJ: MAJOR PROJECT: CENTRO CURATIVO GUYANA
REF: A) STATE 197623 B) CARACAS 7639 C) STATE 176142
D) CARACAS A-95 E) CARACAS A-70

1. E/C COUNSELOR AND EMBASSY COMMERCIAL OFFICER DISCUSSED WITH
CVG PRESIDENT GAMBOA THE PROBLEMS INVOLVED IN THE BIDDING OF
CENTRO CURATIVO GUAYANA AND MADE A FULL PRESENTATION OF THE
BUTLER/IHF POSITION. GAMBOA MADE THE FOLLOWING POINTS IN REPLY:
A) THE ACCEPTANCE OF PRIVATE BIDS UNDER VENEZUELAN LAW DOES NOT
CONSTITUTE A CONTRACTURAL OBLIGATION EVEN THOUGH THERE
WAS A REPRESENTATIVE OF THE CVG PRESENT AT THE OPENING
OF THE BIDS IN CALIFORNIA. HE WAS THERE TO ASSURE THAT
THE PROCEDURE WAS ACCEPTABLE TO CVG AND TO BE SURE THAT
CVG HAD THE CORRECT BID PRICES. ONCE THE BID PRICES
ARE RECIEVED, THE VENEZUELAN GOVT MUST REVIEW
THEM TO DETERMINE IF THE BIDS SATISFACTORILY MEET
THE SPECIFICATIONS, THE ABILITY OF THE BIDDERS TO
PERFORM THE WORK AND OTHER FACTORS. ONCE THIS
REVIEW HAS TAKEN PLACE, CVG PROCEEDS TO THE AWARDING
OF THE CONTRACT.

B) THE ABOVE PROCEDURE CAN BE CHANGED ONLY BY A
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CARACA 08477 252053Z

PRESIDENTIAL WAIVER WHICH IN THIS CASE WAS NOT BEING
SOUGHT.
C) THE VENEZUELAN HEALTH AUTHORITIES DECIDED TO MAKE A
SERIES OF CHANGES IN THE INTERIOR DESIGN OF THE
HOSPITAL AND CVG DECIDED, BECAUSE OF THESE CHANGES, THAT
NEW PUBLIC INTERNATIONAL BIDS WOULD BE DESIRABLE. GAMBOA
ACKNOWLEDGED THAT IT

WOULD HAVE BEEN BETTER PROCEDURE T HAVE THESE PROBLEMS WORKED OUT BEFOREHAND BUT HE POINTED OUT THAT CVG IS TRYING TO MOVE FAST ON MANY FRONTS, IS STRETCHING ITS HUMAN AND TECHNICAL RESOURCES, AND LACK OF COORDINATION DOES OCCUR FROM TIME TO TIME.

D) WITHIN THE PARAMETERS OF VENEZUELAN LAW, THE ACCEPTANCE OF BIDS WITHOUT INCURRING CONTRACTURAL COMMITMENTS IS A NORMAL, LEGAL PROCEDURE AND NO BAD FAITH WAS INTENDED ON THE PART OF CVG. THE PERTINENT LAWS AND DECREES BEAR THIS OUT. BAMBAO PLANS TO WRITE LETTERS TO THIS EFFECT TO BOTH OF THE AMERICAN FIRMS CONCERNED.

E) DR GAMBOA MADE FREQUENT AND EXTENSIVE REFERENCE TO PRESIDENTIAL INSTRUCTION NO 24 WHICH DEALS WITH "STANDARDS FOR THE LICITATION OF CIVIL WORKS AND PURCHASE OF GOODS" (SEE REF E, SPECIFICALLY ARTICLE 2C WHICH STATES THAT CONTRACTS WHOSE ESTIMATED VALUE EXCEEDS BS 1 MILLION MUST BE AWARDED ON THE BASIS OF PUBLIC LICITATION, AND ARTICLE 8 WHICH DESCRIBES IN DETAIL THE MANNER IN WHICH THE LICITATION PROCESS MUST BE CARRIED OUT).

F) DR BAMBOA MADE IT CLEAR THAT BUTLER-IHF'S REQUEST FOR RECONSIDERATION OF THEIR CASE IS, IN HIS VIEWS, UNWARRANTED. IT WAS HIS VIEW THAT BUTLER-IHF ERRONEOUSLY ASSUMED THAT THE PRESENCE OF THE CVG OFFICIAL AT THE BID OPENING CONSITUTED THE AWARDDING UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CARACA 08477 252053Z

OF THE CONTRACT TO THEM. THAT, HE SAID, WAS THEIR MISTAKE AND IN NO WAY OBLIGATED CVG TO SIGNING A CONTRACT WITH THEM.

2. COMMENT: CVG IS EXPECTED TO REQUEST BIDS ON THIS PROJECT WITHIN THE NEXT WEEK. THE BID PROCESS WILL BE IN FULL COMPLIANCE WITH PRESIDENTIAL INSTRUCTION NO 24. AGAIN, POST RECOMMENDS THAT BUTLER-IHF CONSIDER SERIOUSLY PARTICIPATING IN THE BID, GIVEN THEIR EXTENSIVE KNOWLEDGE OF PROJECT AND PRESUMBALY LOW MARGINAL COST OF SUBMITTING BID. FRECHETTE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA08477
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770308-0730
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770825/aaaaaune.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 216f7053-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 197623, 77 CARACAS 7639, 77 STATE 176142
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1490620
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: CENTRO CURATIVO GUYANA
TAGS: BENC, VE
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/216f7053-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009